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TAGS: [PGOV](#) [PHUM](#) [PINR](#) [PINS](#) [PNAT](#) [PREF](#) [PREL](#) [KDEM](#) [IZ](#)
SUBJECT: (U) KRG VP KOSRAT RASUL: KRG CHALLENGES, REFORMS,
CORRUPTION

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CLASSIFIED BY: Tim Uselmann, Political Officer, IPAO, Department
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REASON: 1.4 (a), (d)

¶1. (C) Summary: KRG Vice President Kosrat Rasul told IPAO in a July 1 meeting in Sulaymaniyah that the biggest challenge facing the newly unified KRG was public dissatisfaction over government services and the subsequent appeal of the Islamic movement. In his first address to the KNA as KRG Vice President, he highlighted rule of law, social equality and democracy as priorities. Finally, he stated corruption became a regional epidemic with the flood of CPA funds in 2003. End Summary.

(C) Challenges Ahead for the new KRG

¶2. (C) KRG Vice President Kosrat Rasul said he saw both external and internal challenges for the unified KRG. Externally, conditions in Baghdad had a significant negative impact on the region. Internally, the biggest problem was public dissatisfaction and resulting demonstrations over electricity, water, gas, and problems in daily life. Rasul felt recent protests in Rania, involving over 500 people disgruntled with public services, were normal in a democratic system; however sometimes people blamed the KRG when the real guilt lay on the central government. For example, electricity was a central, not a regional, issue.

¶3. (C) Rasul felt that if the government could meet people's basic needs, they could fight the well-organized Islamic groups who capitalized on the discontent. Islam was extremely strong in the countryside where services were the worst. He estimated the region was 15-20% religious.

¶4. (C) The KRG had not developed a plan to fight Islamic extremism, nor projects to implement for the people. He suggested the KRG

develop
smaller towns and provide public services and organizations such
as
sports clubs and youth activities. Also, investment in
factories and
farms where men and women would work together would help counter
perspectives taught by the mosques. In villages, people
listened to the
mullahs, because there were no teachers.

(C) Reform Platform for the KNA

¶6. (C) Rasul said that in his first address to the KNA he
outlined the
platform below, prioritizing rule of law, social equality and
democracy.

- Transparency in government budgeting and finance;
- Power distribution around the region;
- Rule of law;
- Social equality;
- De-politicize the peshmerga, taking control of them away from
the
parties;
- Activate the role of the KNA;
- Encourage the private sector and establish a free market;
- Facilitate foreign investment;
- Establish a committee to monitor the ministries and fight
corruption;
- Make leadership salaries commensurate with the private sector;
- Protect freedom of speech and prohibit detainment of
journalists
without due process;
- Improve the education system;

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- Capitalize on the region's human resources;
- Encourage civil society;
- and make Kurdistan Region a model for Iraq.

(C) CORRUPTION - CPA's Child

¶7. (C) Rasul said the introduction of CPA funds in 2003 caused an
epidemic of corruption throughout the Kurdistan Region. Before
Liberation, all of Sulaymaniyah had only ten millionaires; now
there
were over 2,000 between Dohuk, Erbil, and Sulaymaniyah. The
international focus on Iraq for reconstruction and oil revenues,
and the
central government's lack of power to control the situation,
allowed
these businessmen to benefit from the transition. Rasul agreed
that the
senior leadership was part of the problem and made reforming
from the
top almost impossible.

¶8. (C) During his tenure as KRG Prime Minister from 1993 to 1996,
corruption was nonexistent. From 1996 to 2002, while Rasul
served as
Prime Minister of the KRG in Sulaymaniyah, corruption was
introduced
through the black market and smuggling, by-products of UN
programs such
as the Oil For Food program. Smuggling from neighboring Iran,
Syria and
Turkey into Kurdistan contributed to corruption.

¶9. (C) In his eight years as Prime Minister (in both Erbil and
Sulaymaniyah), there was no budget to run the government but the
people

were happy. Today, the budget was good but the people were not satisfied. Rasul said the best solution to combat corruption within the government was to treat it as a contagious disease and quarantine the corrupt. He said he intended to use the law to fight corruption from within.

(C) Recommended Reforms for the KRG

¶10. (C) Rasul said among his recommendations to the KRG was a forced-retirement from the government at age 50. He said there were historical reasons why the Kurdish leadership, including Iraq President Jalal Talabani and KRG President Barzani, would not step down and/or face elections. Rasul said at 54 he was too old to resolve the issues facing the party, but would continue to work after retirement to investigate the affairs of the government. He also recommended that the peshmerga, police, and security forces change their role in the government to prevent their intervention in election matters.

¶11. (C) When he was Prime Minister in Erbil there was a law allowing the investigation of questionable private wealth. Today, a parliamentary committee should be created to do the same. After the popular uprising people had great respect for the government leadership. Presidents Talibani and Barzani returned to the Kurdistan Region without a single vehicle between them. Nowadays, people accepted that the leadership would have a car, a house, etc., but they did not accept the extreme wealth most had acquired. People did not accept that so much could have been gained legitimately in such a short period of time. Rasul added rhetorically that Barzani, for example, was unemployed beyond being a leader - so how did he acquire so many homes?

COMMENT:

¶12. (C) KRG Vice President Kosrat Rasul appears to remain loyal to his own agenda, being neither a peacemaker nor arbiter for reform.

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He is definitely an advocate for the people, enjoying 96% popularity among the Kurds, and therefore is an important partner for pushing reform and fighting corruption. End comment.
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